

RHS, RBS, RUS, FSA, USDA

in the application, modified or revised as appropriate, which includes salaries, fringe benefits, consultant costs, indirect costs, and other appropriate direct costs for the project.

[55 FR 135, Jan. 3, 1990, as amended at 57 FR 33101, July 27, 1992]

§ 1942.315 Docket preparation and Letter of Conditions.

(a) The applicable provisions of § 1942.5 of subpart A of part 1942 of this chapter relating to preparation of loan dockets will be followed in preparing grant dockets.

(b) The State Director or the State Director's designated representative will prepare a Letter of Conditions outlining the conditions under which the grant will be made. It will include those matters necessary to assure that the proposed development is completed in accordance with approved plans and specifications, that grant funds are expended for authorized purposes, and that the terms of the Scope of Work and requirements as prescribed in parts 3015 and 3016 of 7 CFR are complied with. The Letter of Conditions will be addressed to the applicant, signed by the State Director or other designated FmHA or its successor agency under Public Law 103-354 representative, and mailed or handed to appropriate applicant officials. Each Letter of Conditions will contain the following paragraphs.

"This letter established conditions which must be understood and agreed to by you before further consideration may be given to the application."

"This letter is not to be considered as grant approval nor as a representation as to the availability of funds. The docket may be completed on the basis of a grant not to exceed \$ ____."

"Please complete and return the attached Form FmHA or its successor agency under Public Law 103-354 1942-46, 'Letter of Intent to Meet Conditions,' if you desire further consideration be given your application."

Other items in the Letter of Conditions should include those relative to: Maximum amount of grant, contributions, final plans and specifications, construction contract documents and bidding, required project audit, evidence of compliance with all applicable Federal, State, and local requirements,

closing instructions, DOL certifications, compliance with any required environmental mitigation measures, and other requirements including those of Regional Commissions when a grant is being made by a Regional Commission.

[50 FR 7296, Feb. 22, 1985, as amended at 53 FR 30249, Aug. 11, 1988; 57 FR 33101, July 27, 1992]

§ 1942.316 Grant approval, fund obligation and third party financial assistance.

(a) *Grant approval.* FmHA or its successor agency under Public Law 103-354 State Directors are authorized to approve grants made in accordance with this subpart and subpart A of part 1901 of this chapter.

(b) *Fund obligation and approval announcement.* Funds will be obligated and approval announcement made in accordance with the provisions of § 1942.5(d) of subpart A of part 1942 of this chapter.

(c) *Third party financial assistance.* Approval of a grant to an applicant who will use grant funds to provide financial assistance to a third party does not constitute approval of the projects financed by the grantee. The review, approval and disbursement of funds for specific projects financed by grantees will be completed in accordance with applicable sections of this subpart.

[45 FR 73637, Nov. 6, 1980, as amended at 47 FR 36413, Aug. 20, 1982; 53 FR 30250, Aug. 11, 1988]

§§ 1942.317-1942.320 [Reserved]

§ 1942.321 Subsequent grants.

Subsequent grants will be processed in accordance with this subpart.

§§ 1942.322-1942.347 [Reserved]

§ 1942.348 Exception authority.

The Administrator may, in individual cases, make an exception to any requirement or provision of this subpart which is not inconsistent with the authorizing statute, an applicable law or decision of the Comptroller General, if the Administrator determines that application of the requirement or provision would adversely affect the Government's interest and show how the